

BILLING PLAN

Billing Procedures

All billing will be generated by Hughes to Texas DIR. The only exception to this will be the Small Office/Home Office Internet Services, where Hughes will directly bill the end user. Non-Recurring Charges (typically hardware and installation charges) will typically be billed on the next invoice date after the departure complete has occurred. Monthly Recurring Services will be billed at the beginning of each month for that month's service. Non-recurring charges

Description

The Billing section contains the Requirements to assure that the underlying systems, processes and procedures provided by the Vendor shall effectively support timely and accurate Billing of Services to DIR and its Customer(s). This section applies to all Services billed under the CTSA.

Hughes is confident that its billing systems, processes, and procedures will meet and exceed the requirements of DIR. It should be noted that Hughes currently has a successful relationship with DIR and we are looking forward to expanding that relationship with the TEX-AN NG project.

Requirements

The Vendor shall provide in its Response to DIR a Billing Plan which shall include but not be limited to:

Key personnel including:

- **Name and role**
John Kinnaman, Program Manager
- **Contact information including telephone numbers and e-mail addresses, and**
john.kinnaman@hughes.com
301-601-7220
- **Escalation list**
Bryan Gustafson, Director of Billing, Bryan.Gustafson@Hughes.com, 301-428-5973

Billing process description (process for producing the Monthly Consolidated Invoice):

- **Process description for handling Disputes and Adjustments,**
There will be periodic and regular program reviews between Hughes and DIR. These reviews can be either weekly, biweekly or monthly, depending on what both parties determine is appropriate. During these reviews, any billing Disputes and Adjustments will be tracked and managed until there is successful resolution.

Billing discrepancies should be brought to the attention of the Hughes Program Manager who will then work with the appropriate Hughes support organizations to determine the cause of the discrepancy and take corrective action. The Hughes Program Manager will update DIR on the status of the resolution.

- **Process for Back-billing and Vendor initiated Rate changes, and**
Hughes may only "Back Bill" when applicable, but no more than 120 days beyond billing cycle. This would generally occur if a charge was missed on a previous invoice. The request would come from the Program Manager and the charges would appear on the next month's invoice with the dates reflecting the period being charged.

- **Process for reconciling areas of the CTSA that have an impact on billing;**
Requests are submitted to the Program Manager, who reviews current contract and escalates to the billing group where applicable.

Billing increment(s) by Service

The service charges are assessed monthly. The billing is in advance. The anniversary date is based on the billing cycle date on which the account is created.

Methodology explaining how DIR shall be billed by CKR

For each remote location, there will be a Hughes Site ID, which can be equated to the CKR. For each Site ID (CKR), there will be no more than three line items. These line items are the equipment and installation (NRC), monthly service (MRC) and field service plan (MRC). The Hughes invoice will clearly identify each of these items with its associated Site ID (CKR).

A description of the Vendor's electronic billing formats and interface specifications, which shall be consistent with industry standards

Hughes will provide DIR with a single electronic monthly consolidated invoice Tab Delimited format which includes all services where DIR is the customer of record within sixty (60) days of contract execution. Invoices will be provided in this way until such time as Vendor and DIR mutually agree on XML interface specifications.

If the SOHO Customers are not paying by credit card, they will receive a paper copy invoice.

Any additional reporting options from the Vendor's systems available to DIR

There are no additional reporting options available at this time.

Samples of all standard Bills and reports provided by the Vendor's system

Samples of standard bills will be provided by Hughes as soon as possible.

System data export capabilities

Hughes bills are available in Microsoft Excel format.

Technique for prorating Services

Hughes currently prorates charges based on the anniversary date—i.e., the account is billed in advance; if the Customer cancels his account 15 days into a 30 day period, 15 days is adjusted back to the account. If a monthly service plan is purchased 15 days into the cycle, 15 days will be charged on the next cycle plus the next month's billing.

Technique for rounding charges or units

All charges are rounded to the nearest cent.

Provide a secure billing database, which must be accessible by DIR via a web browser

Hughes does not have a Web-accessible billing database at this time.

Invoice DIR at the allowable Rates under the CTSA

The Hughes invoices will match the rates in the CTSA.

Addition of DIR Cost Recovery Fee (CRF) to the Rates applicable for the Service

It is our understanding that this is only applicable to the Small Office/Home Office Internet Service. Hughes will add the CRF to each of these invoices, and then provide a monthly payment to DIR equal to the total CRF collected that month.

For Services ordered directly from the Vendor, the Vendor shall bill the Customer directly
Hughes will bill the Customer directly for Services ordered directly from Hughes.

For Services ordered directly from the Vendor, the Vendor shall be responsible for the assessment and collection of the DIR Cost Recovery CRF for these Services and shall remit the fee to DIR as specified in the CTSA

Hughes will be responsible for the assessment and collection of the DIR CRF for Services ordered directly from Hughes. Hughes will remit the fee to DIR, as specified in the CTSA.

Provide DIR with a single electronic Monthly Consolidated Invoice, which includes all Services provided by the Vendor

Hughes will provide DIR with a single electronic monthly consolidated invoice Tab Delimited format which includes all services where DIR is the customer of record within sixty (60) days of contract execution. Invoices will be provided in this way until such time as Vendor and DIR mutually agree on XML interface specifications.

Provide the ability to batch load the Monthly Consolidated Invoice into a DIR designated system. The formats for Call Detail Records (CDR) and monthly circuit billing are in Appendices B-11-14;

Hughes does not have a batch load capability for invoices at this time.

The Vendor's billing system shall utilize the unique nomenclature/description of each billing element for each Service as disclosed by the Vendor in its Response in Appendix D;

The Hughes billing system will utilize the unique nomenclature/description of each billing element for each Service, as disclosed in Appendix D.

Customer Billing

DIR reserves the right to introduce direct Customer billing options on all Services at any time with a 90 Business Day written notice. The Vendor shall cooperate with DIR to amend the CTSA as necessary to alter the billing and remittance responsibilities.

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Invoices

The TEX-AN NG Monthly Consolidated Invoice to DIR shall include:

Unique Invoice Number (for each month's billing).

The Hughes TEX-AN NG monthly consolidated invoice will include a unique invoice number for each month's billing.

Monthly Invoice File: A summary of current Rates, Adjustments and payments.

Hughes will provide a monthly Invoice with current rates and adjustments. Hughes also creates a separate document referred to as an Aging Report (AR) that is available upon request to show status of invoices and payments received.

Detailed Billing File(s):

Detail supporting the Invoice File which includes the Customer Circuit Record Code (CKR) which ties all billing elements and location information together under one Service instance.

The Hughes TEX-AN NG detailed invoice will include the CKR, which ties all billing elements and location information together under one Service instance.

Long Distance and Toll Free billing details shall contain the price per billing increment. The Vendor shall verify that the correct contracted Rate is applied and submit a written statement of verification to DIR.

Hughes is not proposing any voice services (including long distance and toll-free).

Adjustment Billing File: File showing all Adjustments and Credits (including SLA Credits) for the given billing period.

- **Detail shall include the original unique Invoice number, the original billing period, the corresponding CKR and the billing element adjusted.**

Hughes will provide an Adjustment Billing File, which will include the original unique invoice number, the original billing period, the corresponding CKR, and the billing element adjusted.

- **For Adjustments not related to a CKR, detail shall be sufficient for DIR to validate the Adjustment.**

Hughes will provide an Adjustment Billing File, which will include detail sufficient for DIR to validate the Adjustment.

Monthly Consolidated Invoice Informational Memorandum: Explains any changes, issues or concerns regarding the current Monthly Consolidated Invoice.

Hughes will provide a Monthly Consolidated Invoice that provides enough data to enable DIR to validate the accuracy of a single charge by consulting the Order and its Service Order Completion Notice, price tables, Credits, and the telecommunications fees and surcharges Tables. The Monthly Consolidated Invoice will be in Microsoft Excel format.

The TEX-AN NG Monthly Consolidated Invoice shall provide enough data to enable DIR to validate the accuracy of a single charge by consulting the Order and its Service Order Completion Notice, price tables, Credits and the telecommunications fees and surcharges Tables. TEX-AN NG Monthly Consolidated Invoice shall be in an electronic format. DIR will also use the Monthly Consolidated Invoice to fulfill its governance mission in (1) ensuring that Vendors deliver what is quoted or ordered and (2) that the billing conforms to the Vendor pricing for each Service or Feature in the CTSA.

Overall, the TEX-AN NG Monthly Consolidated Invoice shall allow DIR to:

- **Create a single Detailed Monthly Consolidated Invoice File;**
The Monthly Consolidated Invoice will allow DIR to create a single detailed monthly consolidated invoice file.
- **Reconcile the Detailed Billing Files to the Monthly Consolidated Invoice File;**
The Monthly Consolidated Invoice will allow DIR to reconcile the detailed billing files to the monthly consolidated invoice file.
- **Verify billing information back to an Order;**
The Monthly Consolidated Invoice will allow DIR to verify billing information back to an Order.



- **Validate the accuracy of each charge in the Detailed Billing File;**
The Monthly Consolidated Invoice will allow DIR to validate the accuracy of each charge in the Detailed Billing File.

Verify accuracy of the Adjustment Billing File (including Credits) at the detail level; and
The Monthly Consolidated Invoice will allow DIR to verify the accuracy of the Adjustment Billing File (including Credits) at the detail level.